

The Winnipeg Free Press

Health care to cost \$172B

Spending expected to outpace inflation

By Bradley Bouzane

November 14, 2008

OTTAWA -- Health care in Canada will cost \$172 billion this year, or nearly \$5,200 for every single person in the country, according to figures released Thursday by the Canadian Institute for Health Information. The independent statistical agency says that total health spending is forecast to increase by 3.4 per cent in 2008, up from nearly \$162 billion last year. In 2006, the tab for health care ran to about \$151 billion.

In all, health spending in Canada is expected to soak up 10.7 per cent of the country's gross domestic product this year, the highest proportion ever recorded by CIHI. "Health-care spending is expected to grow faster than Canada's economy, outpacing inflation and population growth," Glenda Yeates, the group's president and CEO, said in a news release.

The president of the Canadian Federation of Nurses Unions said the report emphasizes the need to deal with the high price of drugs. "What is right in our face here is the high cost of drugs," said Linda Silas, whose federation has more than 158,000 nurses. "That's being put in our face and the faces of politicians for a number of years (by CIHI) . . . and what I'm hoping is that the standing committee on health care will finally look at a study to look at different options to contain our drug costs.

"Even if Canadians wanted to look at something else to spend their out-of-pocket money on, they can't because it all has to go to the cost of drugs." After adjusting for population increases and inflation, health spending jumped by 2.8 per cent in 2007 from the year before and 3.7 per cent the year before. That follows a 2.8 per cent rise from 2004 to 2005.

Although hospitals still account for the biggest single share of health spending, at \$48.1 billion, their 28 per cent stake of the total budget is actually in decline. In 1975, the first year of the organization's statistics, hospitals accounted for 44.7 per cent of the country's total health care costs.

Spending on drugs, however, is on the rise. Both prescribed medications and over-the-counter remedies continue to lay claim to the second-largest share of health spending. They're forecast to cost just under \$30 billion in 2008, or 17.4 per cent of the total tally. That's about double their share in 1975.

Spending on physician services gobbles up the third-biggest slice of the spending pie, with a total tab of about \$23 billion in 2008. Silas said better management of the drug system would also help out the other two major spending avenues, especially when it comes to older patients.

In terms of the costliest patients, infants and seniors take the lead. Health care for kids under the age of one year costs, on average, \$7,900, while people 65 and older racked up an average bill of almost \$10,000 in 2006.

-- Canwest News Service